Bolivia at the Crossroads: December 2005

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ON 18 DECEMBER 2005, Evo Morales won 54 percent of the vote in Bolivia's presidential election, outpolling his closest rival by 25 percentage points. The outcome of this closely watched election was stunning, primarily because Morales would become Bolivia's first indigenous president. Although the country has the largest indigenous population in South America, with approximately 67 percent of Bolivians identifying themselves as indigenous, its white and mestizo minorities have long dominated its political life.[1]

The victory of an indigenous candidate in 2005 did not materialize out of thin air. During the 1990s, indigenous groups in Bolivia mobilized to claim political roles traditionally denied them. For example, the country inaugurated its first indigenous vice-president, Victor Hugo Cárdenas, in 1993, and indigenous leaders were elected as mayors after Bolivia enacted a sweeping decentralization law in 1994. These gains were certainly important; indeed, the municipal victories of Morales's party paved the way for its national victory in 2005. But because of the concentration of power in the executive branch in Bolivia, Morales's victory marks a truly historic juncture.

Morales also stunned the world because he won so handily. In the months and weeks preceding the election, virtually every poll indicated Morales would come in first, but only by 3 to 7 percentage points ahead of his closest rival. The most widely cited poll predicted 36 percent of the vote would go to Morales and 30 percent would go to center-right candidate and former President Jorge "Tuto" Quiroga.[2] Such an outcome would have thrown the decision to Congress, which is authorized to select the president from among the top two vote-getters when no candidate wins an absolute majority.

Because of the fragmentation of the political party system, Bolivia's Congress has selected every president since 1982. Morales's convincing victory rendered moot months of pre-electoral speculation about how Congress—one of Bolivia's most discredited institutions—would behave if given the chance to choose between Morales and Quiroga. Would Congress refuse to choose the first-place finisher as president, as it had often done in the past? If so, how would the social movements and organizations identified with Morales respond? As it happened, so many Bolivians voted for Morales that Congress was sidelined, and the new president was able to claim a greater mandate than any of his predecessors.

The results of the Bolivian election were particularly significant for the United States because of Morales's well-known opposition to U.S.-supported policies on drug eradication and economic liberalization. Some U.S commentators argue that Morales's election was reason enough to suspend aid to Bolivia, consider economic sanctions against it, and support neighboring countries that might feel threatened by the Morales regime.[3] Because of Morales's expressed admiration for Venezuelan president Hugo Chávez-Frias, some observers view Morales's election as proof of Chávez's growing and pernicious influence in the region.[4] Still others see the Bolivian election largely through the lens of Latin America's shift to the left in recent years, but this is an inaccurately monolithic view of leftist leaders

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in the region that fails to appreciate the uniquely Bolivian features of Morales's win.[5]

While the Morales presidency will certainly pose several challenges to the United States, putting the December election in its historical context suggests that Morales's ascendance represents opportunities as well as challenges, both of which the U.S. Government must keep in mind as it promotes democratic consolidation and broad-based economic development in Bolivia.

Why Morales Won

To understand Morales's strong performance in the December 2005 election, we must examine the major political and economic transformations Bolivia experienced in the last 20 years. Many of these changes were positive, such as the deepening of a culture of compromise between political parties that enhanced governability as well as the successful maintenance of macroeconomic stability. However, several developments in this period were negative, including a widening breach between the country's traditional political parties and its increasingly vigorous civil society and the reality that few Bolivians benefited much from the adoption of neoliberal economic policies. The decidedly mixed record of the period helps explain Morales's appeal and casts doubt on the view that he threatens a political and economic order that is advantageous to Bolivia. I question those who see Morales as a savior and the victory of his party as a panacea for Bolivia's ills as well as those who believe his victory represents the "end of Bolivia" or its "last days."[6]

On the political front, the victory of Morales's Movement toward Socialism (Movimiento al Socialismo [MAS]) was more a rejection of Bolivia's bankrupt political establishment than evidence of the influence of foreign leaders, whether Venezuelan or Cuban. After the disastrous administration of leftist President Hernan Siles between 1982 and 1985, three main political parties dominated politics in the 20 years that followed: the Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario [MNR]), the Movement of the Revolutionary Left (Movimiento de la Izquierda Revolucionaria), and the Nationalist Democratic Action (Acción Democrática Nacionalista [ADN]). Despite their misleading names, these parties were in reality rightist or center-right parties dominated by a handful of national leaders who moved in and out of the presidency. In the absence of a majority winner, Congress would select a president, who owed his office to interparty pacts negotiated in Congress. While defenders of these pacts argue that they produced smoother executive-legislative relations in Bolivia than in the region's other presidential democracies, critics noted that the pacts tended to reinforce clientelism, corruption, and personalism.[7]

Patronage politics made Bolivia governable in the 1990s, but the obsession of political parties with the division of spoils hindered their ability to respond to widespread social change. The disenchantment of civil society was particularly pronounced in indigenous communities, where neoliberal state policies and the collapse of the mineral economy sparked new forms of organization and protest.[8] In 1994, in an effort to decentralize Bolivia's government, Congress passed the Law of Popular Participation, which gave indigenous organizations new opportunities to participate in municipal politics, as well as some independence from the established political parties.[9] Many of these new organizations became building blocks that Morales used to transform MAS into a party with national reach (rather than a merely regional one in the coca-growing region of Cochabamba). In addition to the deeply unpopular coca-eradication policies pursued by President Hugo Banzer (1997-2001), which MAS aggressively opposed, Bolivia's decentralization deserves to be considered an important factor in Morales's victory.

AFP

President Morales presents U.S. Secretary of State Condoleezza Rice with a charango inlaid with coca leaves, 11 March 2006.

Bolivia's 2002 presidential and legislative elections brought into sharp relief the growing distance between the country's established political parties and the mobilized indigenous groups locked out of decisionmaking at the national level. Voters repudiated Banzer's ADN and gave MAS more votes than any party except MNR, a surprisingly strong showing for such a new party.[10] In the days following the election, however, MNR candidate and former president Gonzalo Sánchez de Losada (1993-1997) engineered an alliance with two minor parties in Congress to secure his return to the presidency. In the 15 months his second presidential administration lasted (July 2002-October 2003), Sánchez de Losada excluded MAS legislators from the congressional policymaking process and demonstrated little interest in dialogue with the democratic opposition.[11]

Its access to power blocked, MAS organized protests, blockades, and hunger strikes that paralyzed the country and its economy. When Sánchez de Losada called in the military to end these protests, nearly 60 Bolivians were killed and opposition to his continued rule deepened. He was eventually forced to resign. The further discrediting of the country's traditional parties under Sánchez de Losada and their unwillingness to grant MAS access to decisionmaking channels help explain why so many voters threw their support to Morales in 2005. Many people believed only an overwhelming victory at the polls would guarantee them meaningful access to national political institutions.

On the economic front, Morales's victory harnessed growing opposition to the radical neoliberal policies of the entrenched political parties, which had failed to respond effectively to demands among average Bolivians for a less doctrinaire implementation of market-oriented economics. This antimarket backlash focused on policies concerning the country's oil and natural gas resources. In 1994, a new Hydrocarbons Law dramatically reduced the role of the state-owned oil company relative to transnational corporations and substantially lowered taxes on profits from new oil and gas fields. In response to these incentives, foreign oil companies discovered extensive new gas deposits in Bolivia during the late 1990s, which they began to exploit on terms that were among the most generous in the world (to the companies).[12]

In 2002, Sánchez de Losada proposed the construction of a new gas pipeline through Chile to increase export revenues. In addition to growing resentment over the handsome profits foreign companies were earning from Bolivian gas, Chile's role in this project alienated Bolivians. (Bolivia had lost its coastal access to Chile in the War of the Pacific during the 19th century.) When Morales demanded greater benefits for Bolivians from Bolivian gas, the so-called Gas War (guerra del gas) ensued, precipitating Sánchez de Losada's ouster. Bolivia's Constitutional Tribunal ruled that most of the contracts signed under the 1994 law had not been approved by Congress and were consequently invalid. In 2005, Congress passed a new Hydrocarbons Law increasing taxes on gas and oil from new fields. The new law infuriated the transnational oil companies, but MAS opposed the new law for not going far enough in asserting the state's rights vis-à-vis natural resources.

Morales was thus able to position himself as a defender of national interests against the big gas companies, a stance that greatly contributed to his victory. However, because Bolivia needs foreign capital to exploit its natural resources and because foreign investment levels plummeted after the Gas War, Morales's highly combative stance has had real costs; it has profoundly complicated the future of this important industry and the possibility of gas-financed development projects.[13] Even so, the dubious legality and excessively generous terms of the contracts that Morales's predecessors signed with the gas companies make it easy to understand why Bolivians supported his nationalist position. This stance is all the more understandable given the nonrenewable nature of gas and the appalling fact that resource booms in the past invariably failed to improve the standard of living of Bolivia's indigenous peoples.

Where Morales Won

Morales's election was the culmination of a deep rejection of Bolivia's established political parties, which had become increasingly divorced from civil society in the 1990s and unable to offer meaningful economic policy alternatives. Although this repudiation of Bolivia's political establishment was a genuinely national phenomenon, it did not translate into equal levels of support for Morales across Bolivia's nine subnational regions. Morales won five western and Andean departments, and Quiroga won four departments in the eastern half of

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the country.[14] Bolivia's traditional parties performed poorly throughout the country, but in the east, most voters preferred a new center-right political party, Poder Democrático Social (PODEMOS), not Morales's MAS. Morales's strong showing in the national vote tally masks a worrisome and worsening regional polarization that is an important force in the country's ongoing political crisis.

Conflict between regions in Bolivia is as old as the republic itself. In the 19th century, the country experienced a series of boom-and-bust cycles that generated sharply different consequences for emerging and declining regions.[15] The decline in the price of silver and the rise in the price of tin led to a civil war between Bolivia's Chuquisaca and La Paz departments. La Paz won and proceeded to use its victory to construct a highly centralized state. After 1900, conflict between regions took a back seat to nationally articulated conflicts between classes, between civilians and generals, and between political parties.

In the 1950s and 60s, the La Paz-based central government channeled revenues derived from the mineral wealth of Andean departments in the west into development projects for the sparsely populated Santa Cruz department in the east. Assisted by the U.S. Agency for International Development, the central government's "March to the East" resulted in large investments in Santa Cruz's infrastructure, including critical highway and railway projects that helped produce a sustained economic boom in Santa Cruz beginning in the 1970s. The economic boom in Santa Cruz generated deep conflict between what many see as two different Bolivias: the poorer, indigenous, less economically productive departments of the mountainous west and the richer, whiter, more economically vibrant departments in the lowlands to the east.

Bolivians in the east and west disagree about many things, including even how to explain Santa Cruz's success. Residents of western departments remind Santa Cruz of the role western mineral wealth played in its growth and demand it share the proceeds of its newly discovered natural gas deposits with the west.[16] For their part, Santa Cruz residents argue that the absence of the central state and its overweening bureaucracy—not favors from La Paz—enabled the department to grow faster than the national average.

Tensions between east and west worsened noticeably during Sánchez de Losada's disastrous second administration. In the October 2003 Gas War, indigenous groups in the west mobilized against him. Pro-market business and political leaders in the east responded by inviting him to move the national capital to Santa Cruz.[17] When this proposal failed and the following administration of Carlos Mesa began to negotiate directly with Morales, Santa Cruz leaders organized a series of rallies, protests, and signature-gathering campaigns to demand greater autonomy from the central government.[18] Demands for regional autonomy certainly predate Morales's national emergence, but they have escalated sharply in response to growing political turbulence in La Paz.

In the 2 years since Sánchez de Losada's ouster and Morales's election, Bolivian politics has polarized around two sets of rival electoral demands. Groups in the west have demanded elections for a constituent assembly that would enable them to leverage their newfound political power into constitutional changes in electoral rules (for example, having reserved congressional seats for indigenous Bolivians) and economic policy (for example, nationalizing the oil and gas industry). By contrast, Santa Cruz has opposed a constituent assembly and

favored instead the holding of a referendum on departmental autonomy that would be binding at the departmental level. In a compromise that reconciles western and eastern electoral demands, the election of a constituent assembly and the vote on departmental autonomy are tentatively scheduled to take place on the same day in July 2006. For those in Santa Cruz who are concerned about Morales's anti-market positions and who demand local control over natural resources, the sequence of elections is significant. Morales won a national election without winning any of the four eastern departments, an outcome that might well increase support in those departments for the autonomy referendum, if and when it is held.

What Morales Won

When Morales won the 2005 election in a landslide, the U.S. Department of State said the future relationship between Bolivia and the United States would depend on the policies his government pursued.[19] How would Morales use the tremendous political capital his victory generated? He came to the office with greater popular support than any of his predecessors. This political reality is undeniable, but it remains to be seen what effect his overwhelming popular support will have on his governing style and policy choices, and thus on the nature of U.S.-Bolivia relations.

The strong showing by MAS might enhance prospects for democratic consolidation, a long-stated goal of U.S. policy in Bolivia and in the region. In the past, the absence of a majority winner in the presidential race meant the president owed his job to agreements cobbled together in Congress. Horse-trading and pork-barreling strained the national budget and reduced the bureaucracy's quality because top bureaucrats were typically picked for political reasons. Bolivians derisively refer to this practice as the political quota (cuoteo político) system, a system that has contributed to the virtual disappearance of traditional political parties and to high levels of dissatisfaction with democracy.

Morales's election represents a historic opportunity to break with this tradition precisely because his authority as president does not derive from opaque deals with opposition parties in Congress. Furthermore, party pacts—with different parties included or excluded at different points in time—made it difficult for voters to determine which party was responsible for inferior performance. The 2005 election results might enhance the prospects for accountability in Bolivia because Morales and MAS know they alone will be held accountable for the quality of governance during the next 5 years. It will be hard for MAS to play the same blame game that has obscured responsibility in the past.

The "mere" act of governing also is likely to produce a fair amount of moderation in Morales's program. In fact, one of the clearest patterns in the last 20 years of Latin American electoral democracy is that the often extreme views of opposition leaders almost always become substantially more pragmatic once they swear the oath as president. Even on the campaign trail, there were signs of moderation in the MAS platform, as reflected in Morales's attacks on cocaine traffickers and in his assurance that he will leave the oil and gas transnationals alone despite talk of nationalization.[20] Morales's huge victory at the polls gives him significant authority to rein in the party's more radical elements.[21]

On the other hand, while MAS's overwhelming popular support means that it will not have to engage in costly patronage politics in Congress, its strong showing might also create incentives to engage in dangerous majoritarian politics. Presidentialism routinely produces winner-take-all outcomes, but when a traditionally fragmented party system suddenly produces a majority winner, the situation could be particularly hazardous.[22] Morales is free from the patronage deals that preceded the passage of every major piece of legislation during earlier administrations, but he is also free from any requirement to make the substantive policy compromises that would be best for Bolivia's fragile democracy.

The often-cited parallel to Chile's Salvador Allende, who despite only having 36 percent of the vote, sought to transform Chile's economy during the 1970s, is technically inaccurate, given Morales's much higher level of electoral support.[23] Even so, many lessons from the Chilean case apply to Bolivia because Bolivian political institutions are too weak to offer much in the way of checks and balances on a triumphant president. While Allende headed a party that had a well-developed organizational structure, to a far greater extent Morales dominates the more fluid MAS. The real fear is not that MAS will come under the thumb of Chávez or Castro, but

that it will replicate the cronyism and personalism of Bolivia's previous political parties while excluding its center-right democratic opposition in Congress from the policymaking process.

Majoritarian behavior by Morales would likely produce a dramatic reaction from the powerhouse department of Santa Cruz. In effect, one real check on the new president comes not from any political institution, but from the entire eastern half of the country. The separatist movement in Santa Cruz will grow if Morales's central government balks at holding the nationwide referendum on regional autonomy.[24] Will the new president cancel this referendum or, perhaps just as troubling to Santa Cruz leaders, postpone it until after the election of a new constituent assembly dominated by MAS? Bolivia's armed forces have repeatedly warned Santa Cruz they will act to protect Bolivia's territorial integrity and current borders; nonetheless, a failure to hold the autonomy referendum as scheduled is likely to swell the ranks of the separatist movement.

Bolivia remains one of the continent's most centralized polities, so Morales can contemplate granting additional powers to regional governments without compromising the goals he has set for the country. Many hope Morales's indisputable electoral strength—and the fact that he won 33 percent of the vote in Santa Cruz—will remind him in the years to come that he is president of all of Bolivia and of all Bolivians. ***MR***

NOTES

1. Michell Seligson, *Auditoría de la democracia: Bolivia 2002* (Audit of democracy) (La Paz: Universidad Católica Boliviana [Bolivian Catholic University], 2002).
2. "Encuesta otorga 36% a Evo, 30% a Tuto, y 12% a UN," *La Razón,* 7 December 2005.
3. See Michael Radu, "The End of Bolivia?" Foreign Policy Research Institute, 21 December 2005.
4. Mary Anastasia O'Grady, "All About Evo," *Wall Street Journal*, 23 December 2005, on-line at <www.fpri.org/enotes/20051221.latin.radu.endofbolivia.html>, accessed 12 March 2006.
5. Tim Padgett, "To the Left, March!" *Time* (9 January 2006). For an alternative view, see Michael Shifter, "Don't Buy Those Latin American Labels," *Los Angeles Times*, 24 December 2005.
6. In addition to Radu, see Mark Falcoff, "The Last Days of Bolivia?" American Enterprise Institute for Public Policy Research, June 2004.
7. For an in-depth analysis of how these pacts functioned, see Eduardo Gamarra, "Hybrid Presidentialism and Democratization: The Case of Bolivia," in *Presidentialism and Democracy in Latin America,* eds. Scott Mainwaring and Matthew Shugart (New York: Cambridge University Press, 1997).
8. Deborah Yashar, *Contesting Citizenship* (New York: Cambridge University Press, 2005).
9. Merille Grindle, *Audacious Reforms* (Baltimore: Johns Hopkins University Press, 2000).
10. Many observers interpreted the surprisingly strong showing of MAS in the 2002 election to anti-MAS comments made by the U.S. ambassador in the days leading up to the election.
11. José Bailaba, MAS deputy, interview by author, Santa Cruz, 28 October 2005.
12. "El debate de la ley de hidrocarburos" (The hydrocarbon law debate), doc. no. 15, Comisión Arquidiocesana de Pastoral Social-Cáritas (The Archdiocese Commission for Social Ministry-Cáritas), Santa Cruz.
13. Raúl Kleiffer, President, Bolivian Chamber of Hydrocarbons, interview by author, Santa Cruz, 26 October 2005.
14. Official electoral data, disaggregated by department, on-line at <www.cne.org.bo>, accessed 3 March 2006.
15. José Luis Roca, *Fisonomía del regionalismo boliviano* (Regional division in Bolivia), 2d ed. (La Paz: *Plural*, 1999).
16. Moira Zuazo, Instituto Latinoamericano de Investigaciones Sociales (Latin American Institute for Social Research), interview by author, La Paz, 21 October 2005.
17. Alfredo Rada, "Octubre y la tierra" (October and the land), *Artículo Primero*, 8: 16 (April 2004): 157.
18. Thanks to their efforts, the December 2005 election involved not just the election of national authorities, but the first-ever direct election of departmental leaders or prefects (*prefectos*).
19. "U.S. Congratulates Apparent Bolivian Election Victory," *Voice of America News*, 20 December 2005.
20. David Rieff, "Che's Second Coming?" *New York Times Magazine*, 20 November 2005.
21. For a more general discussion of indigenous parties and their potentially positive impact on democracy in Latin America, see Raúl Madrid, "Indigenous Parties and Democracy in Latin America," *Latin American Politics and Society* 47: 4 (Fall 2005): 161-79.
22. Juan Linz and Arturo Valenzuela, eds., *The Failure of Presidential Democracy* (Baltimore: Johns Hopkins University Press, 1994).
23. Radu.
24. Juan Carlos Urenda, "De cómo el anhelo autonomista puede derivar en otra costa" (How autonomy demands can lead to something else), *El Deber* (6 October 2005).

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